

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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GARY FRIEDRICH ENTERPRISES, LLC and  
GARY FRIEDRICH,

Plaintiff,

v.

MARVEL ENTERPRISES, INC., MARVEL  
ENTERTAINMENT, INC., MARVEL STUDIOS,  
INC.,

Defendant.  
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BARBARA S. JONES  
UNITED STATES DISTRICT JUDGE

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DOCUMENT  
ELECTRONICALLY FILED  
DOC #:  
DATE FILED: 5/3/10

: 08 Civ. 1533 (BSJ) (JCF)

: Order

On April 4, 2007, Plaintiffs Gary Friedrich Enterprises, LLC and Gary Friedrich ("Friedrich") (together, "Plaintiffs") filed this action alleging unlawful use of Plaintiffs' "Ghost Rider" characters and story. On June 8, 2007, Defendants moved to dismiss the Complaint in part pursuant to Federal Rule of Civil Procedure 12(b)(6). On May 19, 2009, this Court referred Defendants' Motion to the Honorable James C. Francis IV, United States Magistrate Judge. On June 26, 2009, Judge Francis issued a Report and Recommendation (the "R&R") recommending that Defendants Motion to Dismiss the state law and Lanham Act claims asserted in Plaintiffs' Complaint be granted.

Before the Court are Plaintiffs' Objections to Judge Francis's R&R. The Court is also in receipt of Defendants'

Response. With respect to those findings in the R&R to which Plaintiffs do not object, I hereby confirm and adopt the R&R, having been satisfied that there is no clear error on the face of the record. See Nelson v. Smith, 618 F. Supp. 1186, 1189 (S.D.N.Y. 1985). With respect to those findings in the R&R to which specific objection is made, the Court has reviewed the Complaint and the underlying record de novo. See United States v. Male Juvenile, 121 F.3d 34, 38 (2d Cir. 1997). For the following reasons, the Court adopts the R&R, overrules Plaintiffs' Objections, and GRANTS Defendants' Motion to Dismiss.

#### **LEGAL STANDARD**

When a magistrate judge has issued findings or recommendations, the district court "may accept, reject, or modify [them] in whole or in part." 28 U.S.C. § 636(b)(1)(C). The Court reviews de novo any portions of a magistrate judge's R&R to which a party has stated a objection. See 28 U.S.C. § 636(b)(1)(C); United States v. Male Juvenile, 121 F.3d 34, 38 (2d Cir. 1997). "[O]bjections to a Report and Recommendation are to be specific and are to address only those portions of the proposed findings to which the party objects." Kirk v. Burge, 646 F. Supp. 2d 534, 538 (S.D.N.Y. 2009) (internal quotation omitted). "Where no objections are filed . . . the court reviews the report for clear error." Brown v. Ebert, No. 05

Civ. 5579, 2006 WL 3851152, at \*2 (S.D.N.Y. Dec. 29, 2006)  
(internal quotation omitted).

### DISCUSSION<sup>1</sup>

Judge Francis determined that the Copyright Act of 1976 (the "Copyright Act"), 17 U.S.C. § 301 et seq. is the relevant federal statute in this case. Plaintiffs do not object to this finding.

#### I. Plaintiffs Do Not State a Specific Objection to Dismissal of All Lanham Act Claims and Several State Law Claims

Plaintiffs do not object to Judge Francis' recommendation that the state law negligence and Lanham Act claims should be dismissed. Accordingly, having been satisfied that there is no clear error on the face of the record, I hereby confirm and adopt this portion of the R&R. See Nelson, 618 F. Supp. at 1189.

Likewise, Plaintiffs make only a general objection to Judge Francis' recommendation that their state law claims for conversion, trespass to chattels, unfair competition, waste, accounting, and right of publicity be dismissed. Plaintiffs state that these claims "each address noncopyrightable intellectual property which is separate and apart from the materials used in the copyrighted work and thus lie outside the

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<sup>1</sup> The Court presumes familiarity with the factual and procedural background of this case, as it is thoroughly set forth in Judge Francis's R&R. Accordingly, the Court will not repeat that background except where relevant to the analysis set forth here.

scope of the Copyright Act." (Pl.'s Opp'n 12.) Plaintiffs further state that these state law claims "seek rights and remedies only afforded by state law protection." (Id.)

However, Plaintiffs do not specify how each of these six state law claims protect distinct areas of rights outside the scope of preemption. Therefore, Plaintiffs do not state an actionable objection to the dismissal of these claims based on Copyright Act preemption, and I review this recommendation for clear error.

Upon reviewing the R&R, I find that Judge Francis did not clearly err in dismissing the Lanham Act claims and state law claims for negligence, conversion, trespass to chattels, unfair competition, waste, accounting, and right of publicity be dismissed, and GRANT Defendants' Motion to Dismiss these claims.

II. Plaintiffs' Claims Under the Illinois Consumer Fraud and Deceptive Business Practices Act and the Uniform Deceptive Trade Practices Act Are Preempted by the Copyright Act

Judge Francis found that both Plaintiffs' Illinois Consumer Fraud and Deceptive Business Practices Act ("CFDBPA") and their Uniform Deceptive Trade Practices Act ("UDTPA") claims were preempted by the Copyright Act. This Court agrees.

In the instant case, Plaintiffs' CFDBPA and UDTPA claims are premised on a theory of "reverse passing off," in which a party "sells plaintiff's products as its own." Reinke & Assocs.

Architects Inc. v. Cluxton, No. 02 Civ. 0725, 2003 WL 1338485, at \*2 (N.D. Ill. Mar. 18, 2003) (internal quotation omitted); see also Kluber Skahan & Assocs., Inc. v. Cordogen, Clark & Assoc., Inc., No. 08 Civ. 1529, 2009 WL 466812, at \*11 (N.D. Ill. Feb. 25, 2009). Such claims are generally preempted by the Copyright Act. See Higher Gear Group, Inc. v. Rockenbach Chevrolet Sales, Inc., 223 F. Supp. 2d 953, 959 (N.D. Ill. 2002).

Plaintiffs here have alleged extra elements beyond those required for copyright infringement. However, all of these claims ultimately "rest[] on the mere act of unauthorized copying." FASA Corp. v. Playmates Toys, Inc., 869 F. Supp. 1334, 1363 (N.D. Ill. 1994). In particular, "consumer confusion and deception . . . have been held to be inherently present in any copyright action and are therefore not considered extra elements that qualitatively alter the nature of a claim where they are asserted." Lacour v. Time Warner, Inc., No. 99 Civ. 7105, 2000 WL 688946, at \*7 (N.D. Ill. May 24, 2000). Accordingly, "[t]he fact that the defendants were selling the allegedly infringing works under their own names—and, hence, implicitly misrepresenting the origin of the works or causing confusion in the consuming public" cannot alter the finding of preemption." FASA Corp., 869 F. Supp. at 1363; see also Lacour, 2000 WL 688946, at \*7 ("In reverse passing off claims, courts

have held that an allegation of misrepresentation based solely on an alleged infringer's act of displaying, selling, or promoting the infringing work as his or her own creation does not qualitatively alter the nature of the infringement action enough to remove the state claim from the preemptive reach of Section § 301(a).").

Therefore, having reviewed the Complaint and the underlying record de novo, the Court finds that Plaintiffs' CFDBPA and UDTPA claims are preempted by the Copyright Act and GRANTS Defendants' Motion to Dismiss these claims.

III. Plaintiffs' Claim for Tortious Interference With Business Expectancy Is Preempted by the Copyright Act

Judge Francis found that Plaintiffs' claim for tortious interference with business expectancy was preempted by the Copyright Act under either New York or Illinois law. Plaintiffs do not object to Judge Francis's conflict of law determination, but do claim that the claim is not preempted.

After reviewing this claim de novo, this Court finds that Plaintiffs' claim is indeed preempted. Plaintiff does not allege any "extra element" apart from the rights protected by federal copyright law. See, e.g., American Movie Classics Co. v. Turner Entertainment Co., 922 F. Supp. 926, 931 (S.D.N.Y. 1996) ("Under this . . . 'extra element' test, a state law claim is not preempted if the extra element changes the nature of the



action so that it is qualitatively different from a copyright infringement claim. However, an action will not be saved from preemption by elements such as awareness or intent, which alter the action's scope but not its nature." (internal quotations omitted)). In this case, as in Miller v. Holtzbrinck Publishers, LLC, Plaintiffs' claim of "tortious interference with business relations . . . seek[s] to redress a legal or equitable right that is equivalent to exclusive rights protected by the Copyright Act: [the] exclusive rights to publish, copy and distribute [a] manuscript under [one's] own name." Miller, No. 08 Civ. 3508, 2008 WL 4891212, at \*2 (S.D.N.Y. Nov. 11, 2008); see also Quadro Enters., Inc. v. Avery Dennison Corp., No. 97 Civ. 5402, 1999 WL 759488, at \*9 (N.D. Ill. Sept. 8, 1999) ("[T]he tort of interference with prospective economic advantage is preempted to the extent that it is equivalent to Section 106's grant to copyright owners the exclusive right to distribute their copyrighted work.").

Therefore, for the reasons stated above, this Court finds that Plaintiffs' state law claim for tortious interference with business expectancy is preempted by the Copyright Act and thus DISMISSES that claim.

#### IV. Plaintiffs' Claim of Tortious Interference With Right of Publicity Fails to State a Claim

Plaintiffs state that Judge Francis overlooked their claim for tortious interference with right of publicity. (See Pl. Opp'n 19-20.) On the contrary, Judge Francis properly recommended dismissal of Plaintiffs' right of publicity claim, noting that actions under these laws generally cover individuals only. (See R&R 19-20.) This Court agrees.

Under Missouri law, "the elements of a right of publicity action include: (1) [t]hat defendant used plaintiff's name as a symbol of his identity (2) without consent (3) and with the intent to obtain a commercial advantage." Doe v. TCI Cablevision, 110 S.W.3d 363, 369 (Mo. 2003); see also id. at 370 (stating that "the name used by the defendant must be understood by the audience as referring to the plaintiff"). Likewise, in Illinois, the right of publicity is "[t]he right to control and to choose whether and how to use an individual's identity for commercial purposes." 765 Ill. Comp. Stat. 1075/10 (1999); see also 765 Ill. Comp. Stat. 1075/30 (1999) ("[A] person may not use an individual's identity for commercial purposes during the individual's lifetime without having obtained previous written consent.").

In the instant case, as Judge Francis correctly noted, Plaintiffs failed to allege that Defendants used Friedrich's name without his consent. Accordingly, Plaintiffs have not stated a claim for tortious interference with right of publicity



under either Illinois or Missouri law, and this count must be DISMISSED.

V. Plaintiffs Have Not Stated a Claim for Constructive Trust

In Count XVIII of the Complaint, Plaintiffs seek imposition of a constructive trust. In support of this demand, Plaintiffs claim that "[b]y virtue of their acts, Defendants hold illegal profits as constructive trustees for the benefit of Plaintiffs" and that "Friedrich is entitled to the immediate possession of said illegal profits." (Compl. ¶¶ 230, 232.)

As a form of equitable relief, the imposition of a constructive trust requires the absence of an adequate remedy at law. See, e.g., Bertoni v. Catucci, 498 N.Y.S.2d 902, 895 (N.Y. App. Div. 1986) ("As an equitable remedy, a constructive trust should not be imposed unless it is demonstrated that a legal remedy is inadequate."); Volini v. Dubas, 613 N.E.2d 1295, (Ill. App. Ct. 1993) ("A constructive trust is an equitable remedy and therefore will not be imposed where there is an adequate remedy at law.").

As discussed above, Plaintiffs' state law claims either fail to state a cause of action or are preempted by the Copyright Act. As a result, the claim for a constructive trust in connection with the noncopyrightable work is moot.

Plaintiffs also assert the claim for a constructive trust in connection with unauthorized use of copyrightable work. (See


Compl. ¶ 228.) However, claims for the imposition of a constructive trust based on copyright infringement do not satisfy the "extra element" test and are thus preempted by the Copyright Act. See, e.g., Maurizio v. Goldsmith, No. 96 Civ. 4332, 2001 WL 1568428, at \*6 (S.D.N.Y. Dec. 5, 2001) (finding that "the claim for a constructive trust is preempted" by the Copyright Act).

Therefore, Plaintiffs' claim for constructive trust are either moot or preempted, and the claim must be DISMISSED.

#### CONCLUSION

For all the foregoing reasons, the Court adopts the R&R of Magistrate Judge Francis in its entirety and GRANTS Defendants' partial Motion to Dismiss.

SO ORDERED:

  
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BARBARA S. JONES  
UNITED STATES DISTRICT JUDGE

Dated: New York, New York  
April 30, 2010